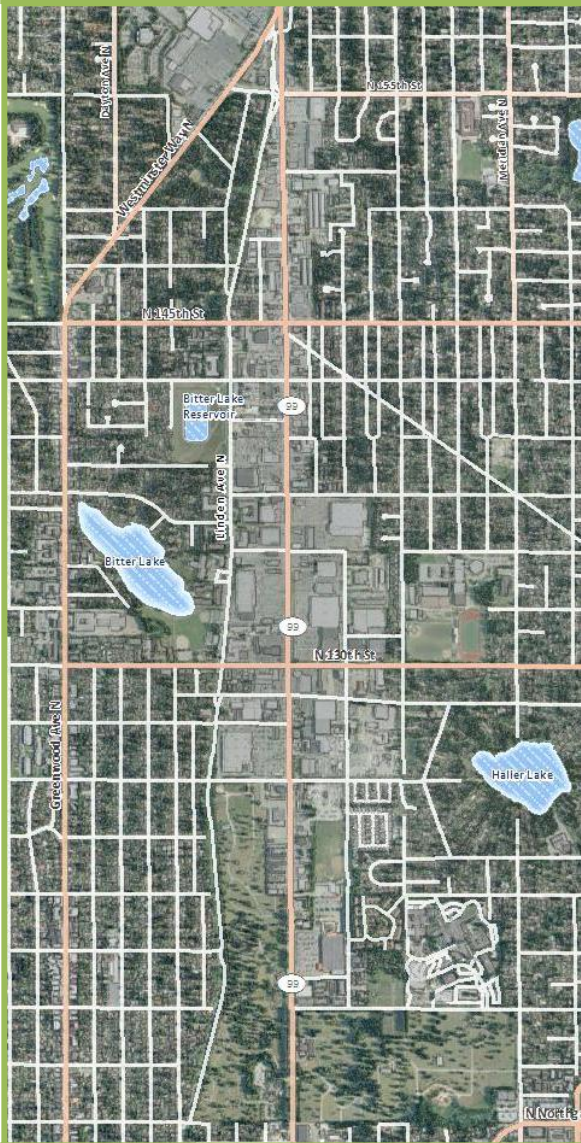


City of Seattle - Bitter Lake Real Estate Economic Analysis

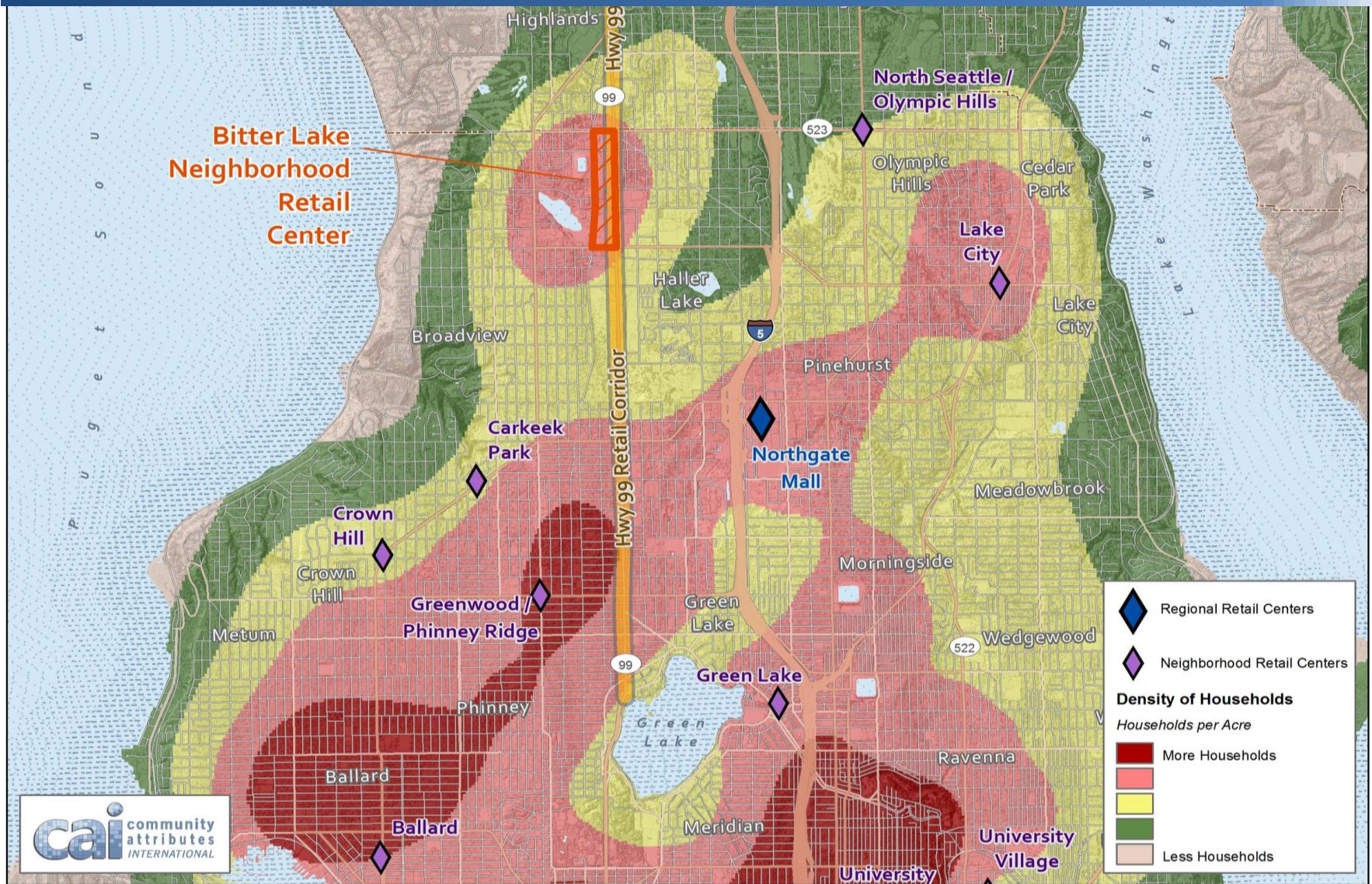
Preliminary Market Analysis
DISCUSSION DRAFT



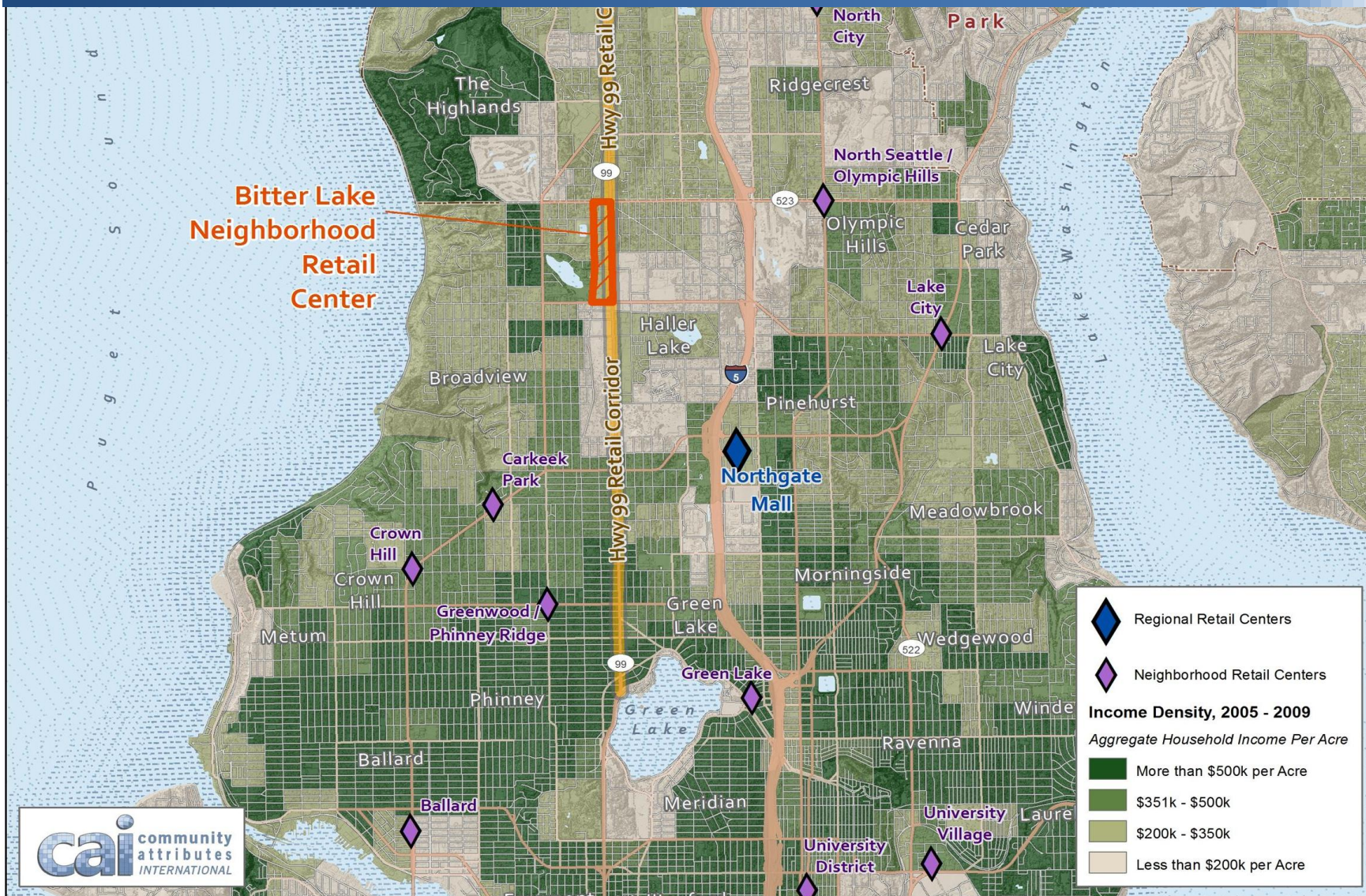
Economic Analysis Objectives

- Clarify economic development objectives
- Analyze and frame the opportunity and challenge
- Develop market scenarios that would affect success
- Refine goals, as necessary
- Identify strategies and actions to reach goals

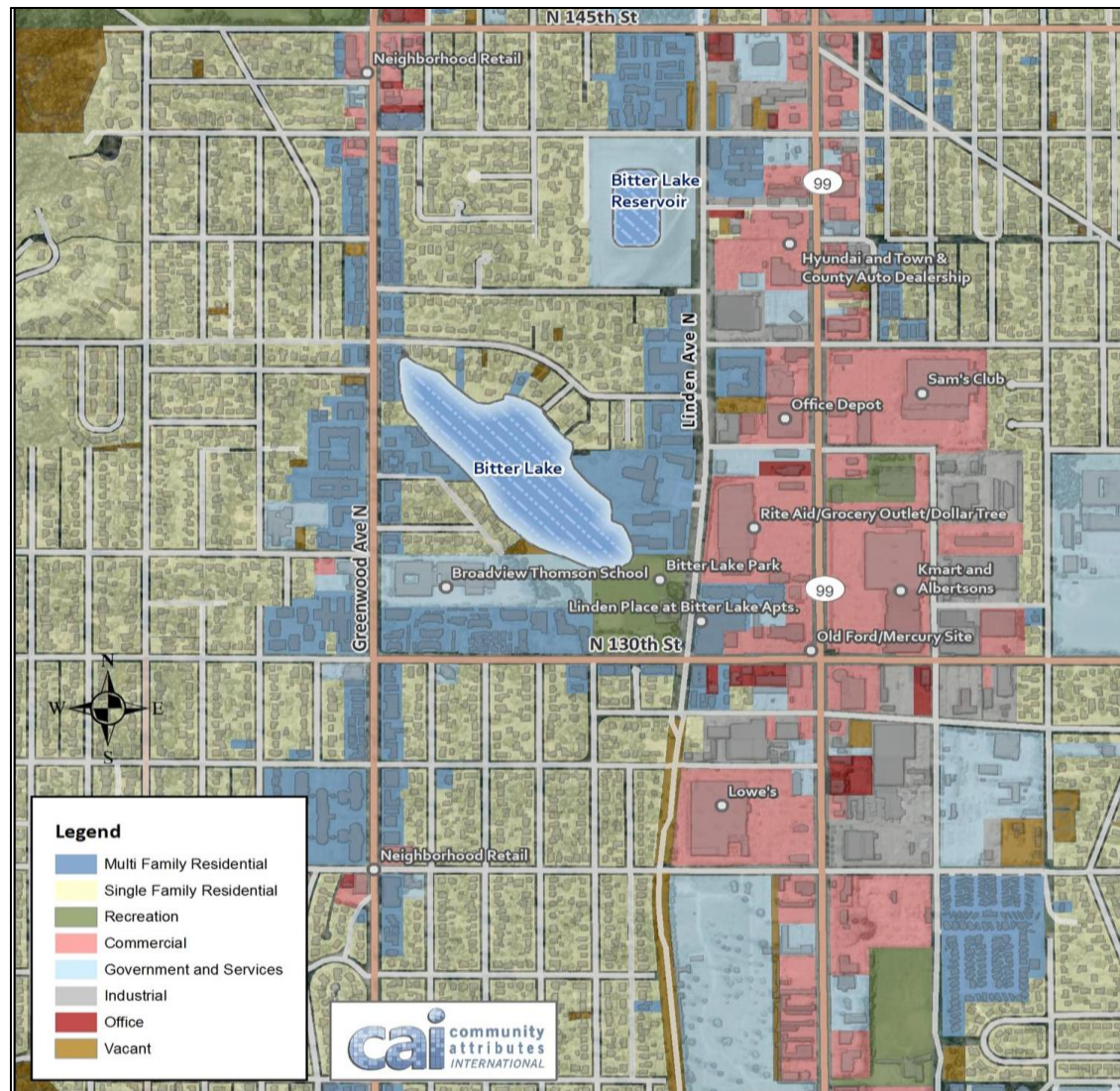
Market Depth and Competing Centers



Purchasing Power Concentration



Neighborhood Uses



Comparable Neighborhood Transformations

City of Kent – Kent Station

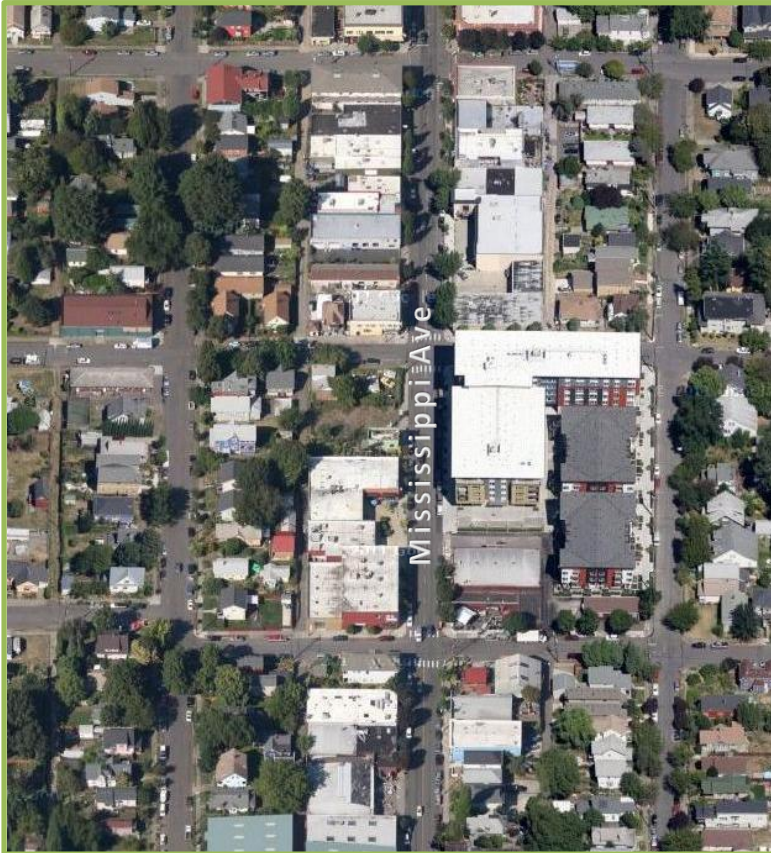


City Seattle – University Village



Comparable Neighborhood Transformations

City of Portland – Mississippi Avenue

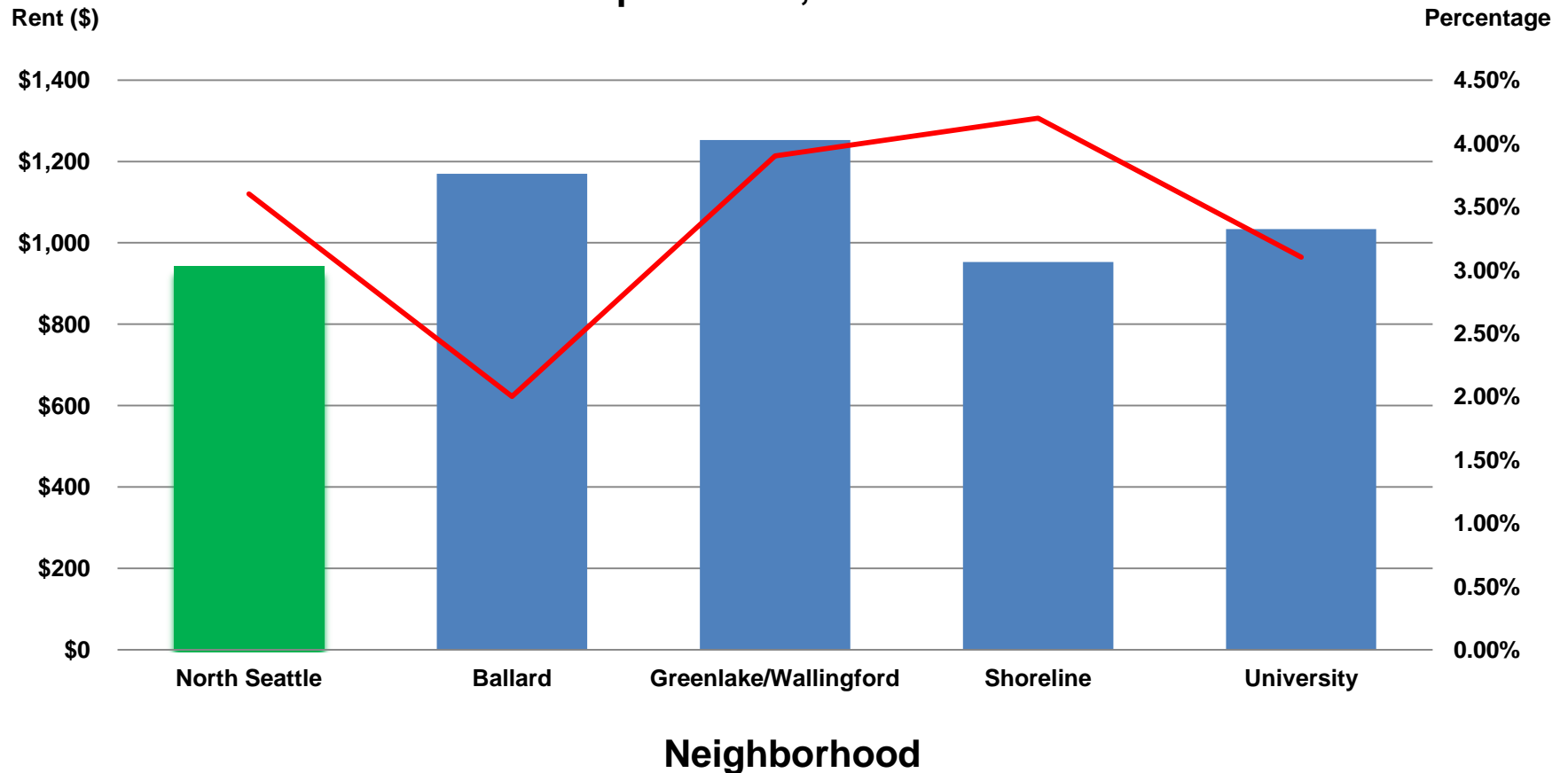


City of Seattle – Columbia City



Neighboring Apartment Markets

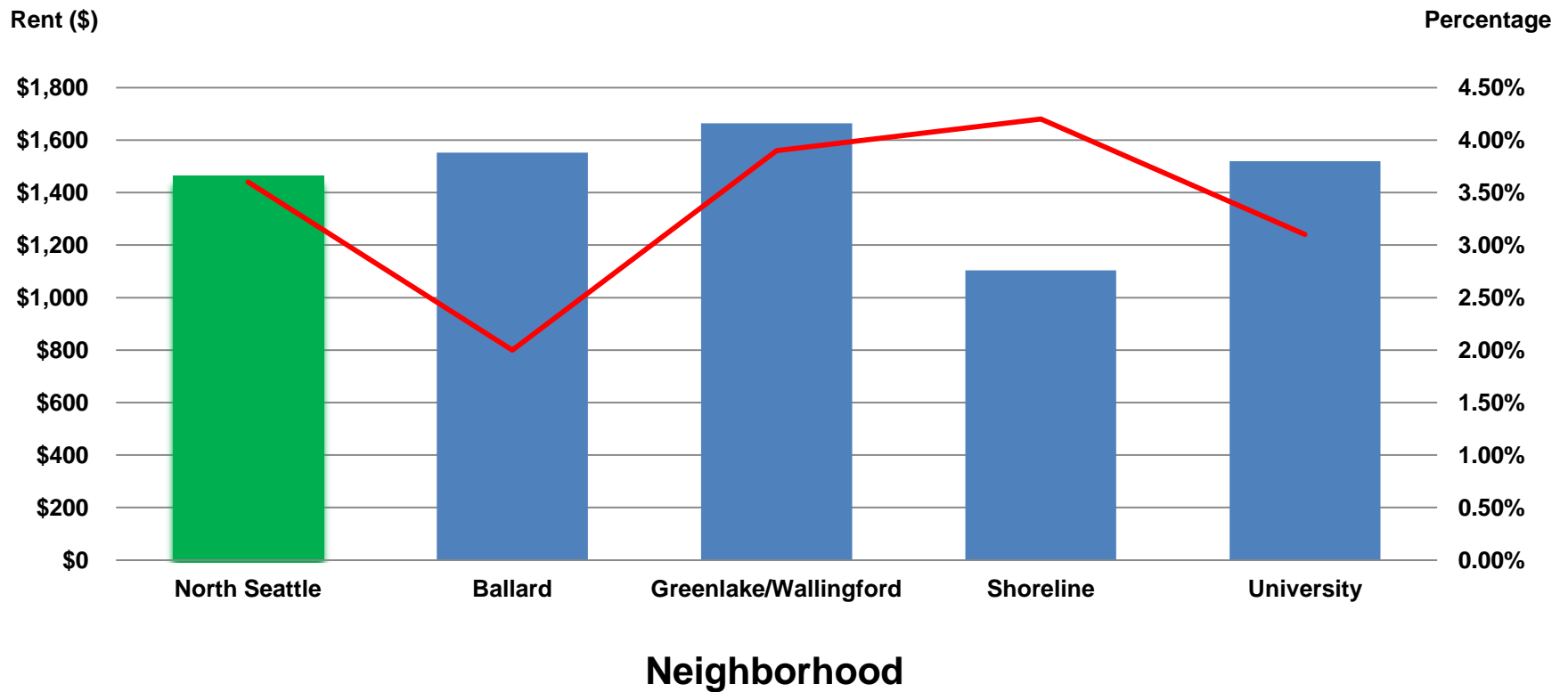
**Monthly Rent and Total Vacancies for
All Apartments, Fall 2011**



Source: Dupre + Scott Apartment Advisors, 2011

Neighboring Apartment Markets

**Monthly Rent and Total Vacancies for
New Apartments, Fall 2011**



Source: Dupre + Scott Apartment Advisors, 2011

Preliminary Market Assessment - Multifamily

Bitter Lake Multifamily Rents Preliminary Analysis

Dupre and Scott

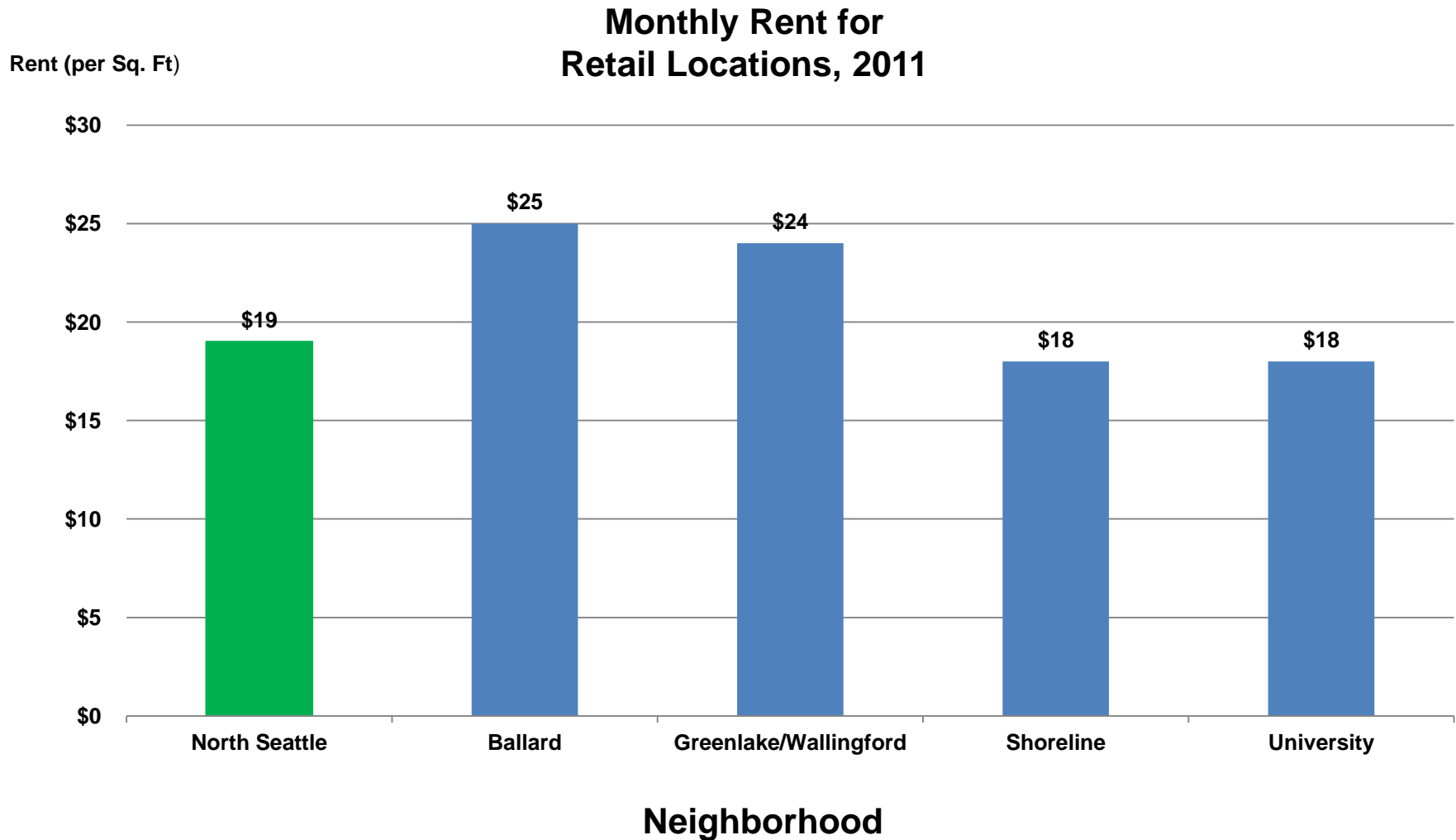
September 2011 rent and vacancy detail for North Seattle

Property age group: All Years	All	S	1	2BR - 1BA	2BR - 2BA	3
Market vacancy	4%	6%	3%	4%	4%	5%
Average rent	\$ 943	\$ 858	\$ 852	\$ 1,017	\$ 1,175	\$ 1,391
Rent per NRSF	\$ 1.27	\$ 1.72	\$ 1.27	\$ 1.21	\$ 1.21	\$ 1.20
Buildings surveyed	97	40	95	77	51	12
Units surveyed	6481	533	3611	1190	1062	58

Property age group: 2010 & Newer	All	S	1	2BR - 1BA	2BR - 2BA	3
Market vacancy	7%	10%	5%	10%	13%	0%
Average rent	\$ 1,357	\$ 1,077	\$ 1,323	\$ 1,646	\$ 1,866	\$ 1,900
Rent per NRSF	\$ 1.83	\$ 1.96	\$ 1.84	\$ 1.80	\$ 1.72	\$ 1.33
Buildings surveyed	5	4	5	3	5	1
Units surveyed	627	178	299	58	78	2

Property age group: 2000-2009	All	S	1	2BR - 1BA	2BR - 2BA	3
Market vacancy	3%	4%	3%	2%	3%	10%
Average rent	\$ 1,079	\$ 934	\$ 999	\$ 1,030	\$ 1,281	\$ 1,701
Rent per NRSF	\$ 1.44	\$ 1.79	\$ 1.50	\$ 1.31	\$ 1.29	\$ 1.56
Buildings surveyed	9	6	9	4	8	1
Units surveyed	773	113	390	44	216	10

Representative Retail Rents in Seattle Neighborhoods



Source: Loop Net listings, October, 2011

Preliminary Market Assessment - Retail

Bitter Lake Retail Rents Preliminary Analysis

Puget Sound Retail Report First Half 2010 CB Richard Ellis

Submarket	Building SF	Total Vacant SF	Total Vacancy %	Avg. Asking Direct Lease Rate (NNN \$/SF/Yr)
Northgate/North Seattle	4,257,123	194,235	4.56%	\$25.83

Kidder Mathews Quarterly Market Review

Quarter	Q4 2010	Q2 2011	Q3 2011
Seattle CBD (NNN Price/SF gross)	\$30 - \$70	\$30 - \$65	\$30 - \$70
Suburban (NNN Price/SF gross)	\$20 - \$35	\$20 - \$35	\$20 - \$35
Overall Vacancy (regional)	6.75%	6.29%	6.11%
